

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

IN RE: : CHAPTER 11
:
UPTOWN PARTNERS, LP : Case No. 1:23-bk-00988-HWV
DEBTOR :

**THE CITY OF HARRISBURG’S MOTION TO DISMISS
DEBTOR’S CHAPTER 11 BANKRUPTCY CASE**

The City of Harrisburg (the “City” or “Movant”), by and through its undersigned counsel, hereby request this Court to dismiss Uptown Partners, LP’s Chapter 11 bankruptcy case (the “Debtor” or “Uptown”) and in support thereof aver the following:

1. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. §§157(b) and 1334.
2. This is a core proceeding within the meaning of 28 U.S.C. §157(b).
3. Venue in this Court is proper pursuant to 28 U.S.C. §§1408 and 1409.
4. The statutory predicate for the relief requested herein is 11 U.S.C. § 105 & 1112(b).

Background

5. On May 2, 2023, the Debtor filed a voluntary Petition for relief under Chapter 7 of the United States Bankruptcy Code.

6. The Chapter 7 Trustee was unable to locate any unencumbered property and attempted to have the case dismissed.

7. On September 12, 2023, the Debtor converted its Chapter 7 case to a Chapter 11 case and is a Debtor-in-Possession and manages its assets and operates its business.

8. On November 1, 2023, the Debtor filed a Motion to Approve Procedures and for Authority to Sell most of its real property (the “Auction Motion”) located in the City of Harrisburg, Dauphin County, Pennsylvania which is in complete disrepair (the “Real Property”).

9. On January 17, 2024, the Debtor filed a motion to approve the winning bidder of the Auction Motion and a hearing is scheduled for September 10, 2024 on said motion.

10. On May 2, 2024, Landex Management (“Landex”), as the property manager of the Debtor for the Real Property, filed a motion to compel the debtor to assume or reject its property management agreement to manage the Real Property. This motion is also scheduled for a hearing on September 10, 2024.

11. The Debtor continues to violate local city ordinances while in bankruptcy and it is unlikely that it will be able to obtain HUD approval for the sale of the Real Property to a HUD approved buyer.

Request for Relief

12. The Movant incorporates by reference paragraphs 1 through 11 above.

13. The Debtor’s Chapter 11 case should be dismissed for cause as a result of the following:

(a) The first winning bidder of the Auction Motion is no longer interested in buying the Real Property and was never a HUD approved buyer.

(b) The backup bidder of the Auction Motion is not a HUD approved buyer and does not have the requisite experience to manage and operate the Real Property.

(c) Landex asserts it does not have sufficient revenue under its property management agreement to properly manage the Real Property.

(d) The Debtor refuses to inject more capital into the Real Property to bring it up to code or protect the tenants.

(e) The Debtor has been in bankruptcy for over a year and it is unlikely the Real Property can be sold to a HUD qualified buyer in the near future,

(f) There is no equity in the Real Property for unsecured creditors,

(g) The Debtor continues to suffer losses and increased professional fees while in bankruptcy without any chance a plan of reorganization will be approved or the Real Property can be sold to a HUD qualified buyer.

(h) The Real Property can only be sold to a buyer that is qualified and approved by HUD.

(i) the Pennsylvania state court is best suited to deal with the Debtor's continued non-compliance with code violations.

(j) the Debtor continues to violate the Harrisburg City Code.

WHEREFORE, the City of Harrisburg and the Harrisburg Redevelopment Authority request this Court to dismiss the Debtor's Chapter 11 case along with such other relief that is just and proper.

McNEES WALLACE & NURICK LLC

Date: August 16, 2024

By: /s/Clayton W. Davidson

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this date a true and correct copy of the foregoing document was electronically filed with the Clerk of Court of the United States Bankruptcy Court for the Middle District of Pennsylvania using the CM/ECF system with electronic notice upon all attorneys of record.

McNEES WALLACE & NURICK LLC

Date: August 16, 2024

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